



# Advisory Actions 2001

Department of General Services  
Office of Public School Construction

State Allocation Board Meeting: April 25, 2001  
Issue Number 04

## Executive Corner



### *"Breaking Ground"*

We are very pleased to announce the premier issue (Spring, 2001) of *Breaking Ground*, the new quarterly publication jointly prepared by the Office of Public School Construction (OPSC) and the Division of the State Architect. This combined effort is the result of months of planning and synergistic activity with the intent of improved communication between our two agencies and for the expressed benefit of our clients statewide. Please avail yourself of this insightful and informative newsletter. *Breaking Ground* will be regularly distributed to school districts, legislators and design professionals; it can also be viewed on the OPSC Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc). Comments and suggestions, as well as requests for additional copies may be sent via e-mail to [breaking.ground@dgs.ca.gov](mailto:breaking.ground@dgs.ca.gov).

Sincerely,

Luisa M. Park  
Interim Executive Officer  
Office of Public School Construction

## Annual Deferred Maintenance Submittals

The end of this fiscal year is fast approaching along with the Deferred Maintenance deadlines for 2000/2001 Fiscal Year funding. Revisions to the Five Year Plan for the 2000/2001 Fiscal Year are due to the Office of Public School Construction (OPSC) by May 30, 2001. School districts are required to use the most current version of the *Deferred Maintenance Five Year Plan*, (Form SAB 40-1, Rev. 10/00) that is available on the OPSC's Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc).

Deferred Maintenance Hardship applications are also due no later than May 30, 2001, in order to be considered for funding available for the 2000/2001 Fiscal Year. For application submittal requirements, please refer to the March 2001 revision of the *Deferred Maintenance Handbook* available on the OPSC Web site.

## SAB "Date Change" Update

As directed by the State Allocation Board (SAB) at previous meetings, the Office of Public School Construction (OPSC) is preparing proposed regulatory language that would allow the Board to make an exception to filing and approval dates, when circumstances warranted.

The OPSC finds that these requests are typically twofold and are characterized by both a request for a date-change and a request for an apportionment effective prior to the priority point requirement.

- ◆ **Date-change:** Per the Board's direction at the March meeting, the OPSC is currently developing regulations to address exceptions to the SAB's filing and approval requirements.
- ◆ **Funding a Project with a Revised Date that Precedes Priority Points:** Pursuant to the Attorney General and the SAB Legal Counsel's opinions, the Board is required to make all new construction apportionments under the priority point mechanism now that priority points have been triggered, regardless of when the application was accepted for processing by the OPSC.

Finalization of this issue will be discussed at the June 1, 2001 SAB Implementation Committee meeting.

## Special Day Class Enrollment Reporting

A proposed regulation change was presented and approved by the State Allocation Board (SAB) at its April meeting that revised the Form SAB 50-01, *Enrollment Certification/Projection*. The School Facility Program regulations formerly required applicant districts to report Special Day Class (SDC) enrollment based on the enrollment reported to the California Department of Education (CDE) in April prior to the latest California Basic Education Data Systems "CBEDS" report. The CDE has recently changed the SDC enrollment-reporting requirement from April to December to be in alignment with recent Federal reporting requirements, and the regulations have been amended accordingly.

## Outstanding Lien Releases

There are 244 school districts that continue to have a lien on its property from participation in the old State School Building Program. The good news is that Chapter 407/98 (Senate Bill 50) allowed for the release of these liens, which had been a requirement for participation in the former Lease-Purchase Program. The Office of Public School Construction has been unable to release the liens of the districts noted above, as these districts have not taken the appropriate action. Please take advantage of the acknowledgement of the release of the lien that was sent to each district involved. Districts must simply present the original lien release document to the county recorder in order to remove the State lien from the district's property.

If you do not know whether or not you have filed such a lien release or you need more information concerning lien releases, please contact Mr. Bryan Breaks, Audit Supervisor, at [bbreaks@dgs.ca.gov](mailto:bbreaks@dgs.ca.gov) or 916.445.3156.

## CBEDS Enrollment Reporting: Change in Reporting Timelines

Enrollment reporting for purposes of establishing eligibility in the School Facility Program (SFP) is based on the latest California Basic Educational Data System (CBEDS) information. Historically, the Office of Public School Construction (OPSC) has allowed eligibility to be determined based on this source of enrollment received as late as December 31st of each year. During this "grace period", districts were permitted to submit applications based on either the latest or the prior year CBEDS. Districts submitting applications after December 31st were required to submit "updated" enrollment based on the latest CBEDS report.

The SFP regulations do not provide for this "grace period" and accordingly, the OPSC will no longer accept SFP application submittals based on the prior year CBEDS up to December 31st. Once a district submits its October 15th CBEDS information to its county office of education, this data must be utilized to update its eligibility prior to submittal of a SFP application, pursuant to Regulation Sections 1859.51 and 1859.61.

## Pending Issues: SAB Implementation Committee

The next scheduled meeting of the SAB Implementation Committee is Friday, June 1, 2001. This public meeting will be held at the U.S. Bank Plaza Building, 980 9th Street, Conference Rooms A, B & C in Sacramento. Input from our constituency is strongly encouraged and welcomed. Issues pending before the committee, which may be addressed at this meeting, include the following:

### ◆ Financial Hardship Criteria

The financial hardship approval process is to undergo a review, in part as a result of Proposition 39 and as a result of the number and amount of financial hardship approvals that have been made under the existing regulations. Consideration will be given to possible amendments to the regulations, especially in regard to the qualification criteria.

### ◆ High School Attendance Area Filing

The regulations regarding the conversion of a district's filing basis from districtwide to a high school attendance area will be reviewed.

### ◆ Material Inaccuracies

Senate Bill 2066 (O'Connell) calls for certain penalties where applications are submitted with material inaccuracies. This bill also authorizes the SAB to transfer certain

funds from the State School Building Aid Fund to the School Facility Program (SFP) or to the Deferred Maintenance Program.

### ◆ Hazardous Material Response Costs

Response costs to districts for the removal of hazardous materials may be provided for under the SFP, per Assembly Bill 2644 (Calderon).

### ◆ Consolidated Application (Form SAB 50-07)

The Office of Public School Construction and the Division of the State Architect are collaborating on the revision of this cost data form for the purpose of consolidating application submittal information by both agencies.

### ◆ Application Date Change

Please refer to the separate article on this topic in this issue.

## Regulations

### Status of Regulatory Activity

Topic	SAB Adopted	Status at the Office of Administrative Law (OAL)	Anticipated OAL Approval
Special Day Class Enrollment	04/25/01	In Process	In Process
Use of Grants	03/28/01	45-Day Public Comment Period Began 05/04/01	08/2001
Hardship Funding	03/28/01	45-Day Public Comment Period Began 05/04/01	08/2001
Leased Land (AB 2408)	02/28/01	45-Day Public Comment Period Ends 05/21/01	07/2001
Multistory Construction (AB 801)	02/28/01	45-Day Public Comment Period Ends 05/21/01	07/2001
"In Escrow" Defined	02/28/01	45-Day Public Comment Period Ends 05/21/01	07/2001
SAB 50-07, Consolidated Cost Estimate	08/23/00	* This form is currently being revised to address concerns of other State agencies and the school district community.	

### Outstanding Regulatory Activity

The Priority Point emergency regulations approved January 2, 2001, were submitted on May 1, 2001 for permanent adoption by the Office of Administrative Law (OAL). The Office of Public School Construction anticipates OAL approval about mid-June, 2001.

### Recent Program Changes

- ◆ Regulation Section 1859.83, Excessive Cost Hardship Grant, was amended and approved by the OAL with an effective date of April 5, 2001. The change affected subsection (c), new school allowance, and provides a formula for offsetting an excessive cost grant against future grant requests to complete the starter school.
- ◆ The Special Day Class loading and funding emergency regulations, approved July 17, 2000 by the OAL, have become permanent regulations with an effective date of December 27, 2000.
- ◆ Regulation Section 1859.79.3, Minimal Requests for Modernization Grant Funds, was approved by the OAL with an effective date of September 12, 2000.
- ◆ Regulation Section 1859.81.1 was amended for purposes of increasing the design funds for new construction financial hardship projects. This amendment was effective September 12, 2000.

## School Facility Program Expenditure Reports

Under Regulation Section 1859.104, school districts are required to submit an Expenditure Report (Form SAB 50-06), with a supporting detailed listing for each project expenditure on an annual basis, with the first report due one year following the first release of funds. A suggested format can be located on the Office of Public School Construction Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc). To help expedite and facilitate the process, please be sure to submit the Expenditure Report directly to:

**Department of General Services  
Office of Public School Construction  
Attn: Darlene Ramos, Audit Team  
1130 K Street, Suite 400  
Sacramento, CA 95814**

For specific information regarding the Expenditure Report, please contact Darlene Ramos, Audit Team, at [darlene.ramos@dgs.ca.gov](mailto:darlene.ramos@dgs.ca.gov) or 916.445.8041.

## OPSC Reminders...

- ▶ **State Allocation Board Meetings\***  
May 23, 2001      July 25, 2001  
June 27, 2001      August 22, 2001
- ▶ **State Allocation Board Implementation Committee Meetings\***  
June 1, 2001      August 3, 2001  
July 6, 2001      August 31, 2001
- ▶ **Five Year Plan of Maintenance Needs**  
Form SAB 40-1 Due by May 30, 2001
- ▶ **Critical Hardship Applications**  
Form SAB 40-5 Due by May 30, 2001 (to be considered for funding Aug/Sep 2001)
- ▶ **Deferred Maintenance Certification of Deposits**  
Oct – Nov: Due annually from the Districts
- ▶ **Annual Certification of Unused Sites**  
Due by June 30, 2001
- ▶ **Joint Use Funding Cycle**  
July 1, 2001 – June 30, 2002: Period for Districts eligible to participate in the Lease-Purchase Program funding of Joint Use projects for gymnasiums, multipurpose rooms and libraries (SB 1795).
- ▶ **Interest Earned Report (Form SAB 180)**  
Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts which have earned interest from the Leroy F. Greene Lease-Purchase Fund.

\* Meeting dates subject to change. Check the OPSC Web site at <http://www.dgs.ca.gov/opsc> for latest dates and times.

## Status of Funds

### Per the March 28, 2001 State Allocation Board Meeting

<i>Program</i>	<i>Funds Available as of 03.28.01</i>	<i>Apportionments and Adjustments</i>	<i>Balance Available as of 04.25.01</i>
<b>Proposition 1A</b>			
New Construction	1,088.8	(0.7)	1,088.1
Modernization	0.1	0	0.1
Hardship	106.8	(7.0)	99.8
Facility Hardship (Reserved)	49.9	(0.8)	49.1
<b>Subtotal</b>	<b>\$1,245.6</b>	<b>(\$8.5)</b>	<b>\$1,237.1</b>
<b>Prior Bond Funds</b>			
Contingency Reserves	43.7	1.3	45.0
AB 191	3.7	0	3.7
<b>Subtotal</b>	<b>\$47.4</b>	<b>1.3</b>	<b>\$48.7</b>
<b>Grand Total</b>	<b>\$1,293.0</b>	<b>(\$7.2)</b>	<b>\$1,285.8</b>

Note: Amounts are in millions of dollars. Amounts within parentheses ( ) are negative amounts.  
The State Allocation Board funded approximately \$321,327 for the Deferred Maintenance Program.

## Construction Cost Indices

### Lease-Purchase Program Construction Cost Indices for April 2001

Class "B" Buildings	1.40
Class "D" Buildings	1.40
Furniture and Equipment	1.39
Historical Savings Index	6.45

**Class "B" Buildings:** Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

**Class "D" Buildings:** Constructed primarily of wood.

**Furniture and Equipment:** An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

**Historical Savings Index:** An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Office of Public School Construction  
1130 K Street, Suite 400  
Sacramento, CA 95814